

## ISDH Annual Fiscal Report of a Nonprofit Acute Care Hospital

**Hospital: Memorial Hospital of South Bend**

Year: 2004 City: South Bend Peer Group: Large

**Statement One: Summary of Revenue and Expenses**

<b>1. Gross Patient Service Revenue</b>		<b>4. Operating Expenses</b>	
Inpatient Patient Service Revenue	\$385,115,481	Salaries and Wages	\$101,113,992
Outpatient Patient Service Revenue	\$178,597,273	Employee Benefits and Taxes	\$26,896,585
Total Gross Patient Service Revenue	\$563,712,754	Depreciation and Amortization	\$15,507,919
<b>2. Deductions from Revenue</b>		Interest Expenses	\$4,682,634
Contractual Allowances	\$274,346,038	Bad Debt	\$16,741,705
Other Deductions	\$2,892,872	Other Expenses	\$108,824,900
Total Deductions	\$277,238,910	Total Operating Expenses	\$273,767,735
<b>3. Total Operating Revenue</b>		<b>5. Net Revenue and Expenses</b>	
Net Patient Service Revenue	\$286,473,844	Net Operating Revenue over Expenses	\$22,216,013
Other Operating Revenue	\$9,509,904	Net Non-operating Gains over Losses	\$7,741,886
		Total Net Gain over Loss	\$29,957,899

Total Operating Revenue	\$295,983,748
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6. Assets and Liabilities	
Total Assets	\$473,563,291
Total Liabilities	\$473,563,291

Statement Two: Contractual Allowances			
Revenue Source	Gross Patient Revenue	Contractual Allowances	Net Patient Service Revenue
Medicare	\$226,181,829	\$152,534,152	\$73,647,677
Medicaid	\$68,764,045	\$47,139,072	\$21,624,973
Other State	\$5,377,697	\$3,573,719	\$1,803,978
Local Government	\$4,013,914	\$2,331,682	\$1,682,232
Commercial Insurance	\$259,375,269	\$66,008,055	\$193,367,214
Total	\$563,712,754	\$271,586,680	\$292,126,074

Statement Three: Unique Specialized Hospital Funds			
Fund Category	Estimated Incoming Revenue from Others	Estimated Outgoing Expenses to Others	Net Dollar Gain or Loss after Adjustment
Donations	\$0	\$260,525	(\$260,525)

Educational	\$455,916	\$5,263,676	(\$4,807,760)
Research	\$1,396,942	\$1,585,431	(\$188,489)
Bioterrorism Grant	\$112,000	\$112,000	\$0

<b>Number of individuals estimated by this hospital that are involved in education</b>	
Number of Medical Professionals Trained In This Hospital	114
Number of Hospital Patients Educated In This Hospital	0
Number of Citizens Exposed to Health Education Message	0

#### Statement Four

#### Annual Summarized Community Benefit Statement on Nonprofit Hospital

This hospital is a nonprofit organization and files an annual community benefit statement with the Department under Indiana Code 16-21-9. Each nonprofit hospital must confirm its mission statement, document the number of persons and dollars allocated under its adopted charity care policy, and describe the progress of the community to achieve specific objectives set by the hospital.

<b>County Location</b>	St Joseph	<b>Community Served</b>	St Joseph County
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#### Hospital Mission Statement

*“Memorial Hospital is committed to improving the quality of life for the people of our community”.*

<b>Unique Services</b>	<b>Type of Initiatives</b>	<b>Document Available</b>

Medical Research	YES	Disease Detection	YES	Community Plan	YES
Professional Education	YES	Practitioner Education	YES	Annual Statement	YES
Community Education	YES	Clinic Support	YES	Needs Assessment	2005

## Allocation of Dollars and Persons Served under Adopted Charity Policy

Most nonprofit hospitals adopt a charity benefit policy to serve the medically indigent. On an annual basis, the hospital will confirm the eligibility and set aside dollars to ensure low-income persons can be offered needed inpatient and outpatient hospital services.

	2002	2003	2004
<b>Persons served in last twelve months</b>	2,181	2,799	2,611
<b>Charity Care Allocation</b>	(\$1,477,122)	(\$1,939,266)	(\$1,679,917)

## Hospital Community Benefit Projects and the Projects' Net Cost

On an annual basis, all nonprofit hospitals will report on the progress that the local community has made in reducing the incidence of disease and improving the delivery of health services in the community.

<b>Name of Program and Description of Progress Made in Achieving Annual Objectives</b>	<b>Net Costs of Programs</b>
African American Women Breast Campaign	(\$266,483)
Congregation Nursing Health Education Counseling	(\$292,596)
School Health Clinic Abstinence Programming	(\$310,809)

Hispanic Initiative and Outreach	(\$516,965)
Other Community Based Partnerships	(\$2,798,035)
Subtotal	(\$4,184,888)

### **Summary of Unreimbursed Costs of Charity Care, Government Funded Programs, and Community Benefits**

Based on uniform definitions of costs, each nonprofit hospital must identify the costs of serving its community that are not reimbursed by government and other third party payers.

<b>Specialized Programs</b>	<b>Unreimbursed Costs</b>
<b>1. Total unreimbursed costs of providing care to patients unable to pay, to patients covered under government funded programs, and for medical education, training.</b>	(\$37,954,430)
<b>2. Community Health Education</b>	\$0
<b>3. Community Programs and Services</b>	(\$1,620,751)
<b>4. Other Unreimbursed Costs</b>	(\$329,238)
<b>5. Total Costs of Providing Community Benefits</b>	(\$39,904,419)

### **Identification of Additional Non-Hospital Charity Costs**

In addition, some hospitals will have non-hospital organizations under its ISDH license are providing community benefits in this fiscal year.

<b>Organization Providing Charity Care</b>	<b>Net Costs of Care</b>
Memorial Medical Group	(\$658,283)

**For further information on these initiatives, contact:**

Hospital Representative: Margo Demont

Telephone number: 574/657-1356

Web Address Information: [www.qualityoflife.org](http://www.qualityoflife.org)

**ISDH STATISTICAL COMPARISON BETWEEN THIS HOSPITAL  
AND OTHER HOSPITALS IN ITS PEER GROUP**

<b>PERFORMANCE INDICATOR</b>	<b>METHODOLOGY</b>	<b>THIS HOSPITAL'S RESULTS</b>	<b>PEER GROUP AVERAGE</b>
1. # of FTE's	Number of Full Time Equivalents	2,096	2,262
2. % of Salary	Salary Expenses divided by Total Expenses	36.9%	36.7%
3. Average Daily Census	Patient Days divided by annual days (365 days)	236.0	251.6

4. Average Length of Stay	Number of Patient Days divided by the Number of Discharges	4.8	5.1
5. Price for Medical/Surgical per stay	Total Medical/Surgical charges divided by Medical/Surgical discharges	\$3,462	\$3,873
6. Gross Price per Discharge	Gross Inpatient Revenue divided by the Total Discharges	\$21,631	\$19,185
7. Outpatient Revenue Percentage	Outpatient Revenue divided by the Gross Total Revenue	31.7%	41.1%
8. Gross Price per Visit	Gross Outpatient Revenue divided by the Total Outpatient Visits	\$1,212	\$1,295
9. % of Medicare	Medicare Revenue divided by the Gross Patient Revenue	40.1%	40.6%
10. % of Bad Debt	Bad Debt Expense divided by the Gross Operating Expenses	6.1%	4.3%
11. Charity Allocation	Unreimbursed costs of providing services to patients under adopted charity policy	(\$1,679,917)	(\$5,489,682)
12. Net Margin	Excess of Revenue over Expenses divided by the Total Operating Revenue	7.5	5.9

Notes:

1. NR = Not Reported
2. See Statewide Results for definitions of terms.